



# KOUKAMMA MUNICIPALITY



## Annual Report 2007/2008





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# **CHAPTER 1**

## **INTRODUCTION AND OVERVIEW**



# CHAPTER 1

## INTRODUCTION AND OVERVIEW

### 1.1 Mayor's Foreword

The 2007/2008 year started on a very high note of excitement. My response to this happiness left me with an experience that is unmatched in any other municipality.

The Municipality is characterized by a huge potential in Local Economic Development and a positive outlook in regard to providing people with the best chances of emancipation.

However, we are not happy with our institutional challenges such as:

- A massive Workers' Strike
- A negative Auditor General Report and disclaimer
- The Serious outcry about lack of service delivery
- Lack of institutional performance, non-compliance and institutional instability

With that in mind we had resolved to turn our setback into positive challenges. We ended our year in dismay and very dissatisfied that we could not offer more for our people. Our institutional shortcomings will for always be haunting us. But this time around we have a plan. We managed to make inroads in most critical areas like:

- Reinforcing our Management Team
- Securing funding to address our critical infrastructure challenges and constraints
- Structuring good working relations with other spheres and sector stakeholders
- Embarking on successful plans to regain the confidence of our constituencies in order to ensure better co-operation

We agreed to see a greater focus on plans to eradicate our problems and devise means to use our local economy to change the lives of our people.

This Annual Report gives on overall review of our plans, honest reflection on our areas of failures and also the highlights of our collective actions to keep the ship sailing in turbulent waters.

I want to thank my fellow governors, municipal staff, organized labour, communities and everyone who made it possible for us to overcome this trying year.

**Noël J. O'Connel**  
**Mayor/Speaker**



## 1.2 Overview Of The Municipality

Koukamma Municipality is situated in the south-west corner of the Cacadu District Municipality along the Indian Ocean coastline in the south western sector of the Province. To the west lies the Western Cape Province. Koukamma also borders the Baviaans Municipality in the north and Kouga Municipality to the East. The geographical area of the municipality is 12540 square kilometres.

The Koukamma Municipal area is characterised by two distinctive areas, i.e. the coastal belt (referred to as the Tsitsikamma) and the inland area of the Langkloof. The two areas are separated by the Tsitsikamma mountain range. The Koukamma municipal area is also separated from the Baviaans Municipality by the Kouga Mountains to the north. Tsitsikamma and Langkloof are characterized by fertile soils that are extensively farmed or used for forestry purposes.

Koukamma Municipality has incorporated several settlements from the Cacadu District Municipality for service delivery. The various settlement areas are Krakeelrivier, Louterwater, Misgund, Clarkson, Woodlands, Stormsriver, Sandrift (Nompumolelo Village), Coldstream, Koomansbos, Thornham, Griqua Rust, Blikkiesdorp, Kwaai brand, Eersterivier Kruis, Wittekleibos, Snyklip, Guava Juice and Doriskraal.

Kareedouw and Joubertina, as former TLC's and current Municipal administrative nodes, are the only towns depicting significant urban characteristics. All the other towns mentioned above depict an ultra-rural milieu and originated primarily as residential facilities for farm workers of surrounding farms.

In the Tsitsikamma area there are 12 rural villages that fall under the jurisdiction of the Koukamma Municipality. They are namely:

- **Coldstream:** situated approximately 60km south-west of Kareedouw, and the township consists of approximately 842 residential erven.
- **Koomansbos:** situated approximately 25km west of Kareedouw. The current population of 60 formal residential erven is estimated to be 260 people.
- **Storms River:** a semi-rural township approximately 34 km from Kareedouw. The town displays two distinct residential types, that being of the affluent residential part (Storms River Village) and the low income section (Storms River West).
- **Thornham:** a medium to small rural township approximately 45km south-west of Kareedouw. Low-income housing is the predominant land use pattern.
- **Griqua Rust:** consisting of approximately 60 families and is situated adjacent to Sandrift, approximately 34km south-west of Kareedouw alongside the N2.
- **Sandrifft and Blikkiesdorp:** a semi-rural township approximately 30km south-west of Kareedouw. Low-income housing is the predominant land-use pattern. The town is divided into two distinct suburbs viz. Sandrift Village (medium to high income) and Nompumelelo (medium to low income)
- **Kwaai brand:** an ex-forestry station situated approximately 23 km south of Kareedouw and lies. Approximately 60 houses are situated on the farm.
- **Woodlands:** approximately 17km south-west of Kareedouw. Low-income housing is the predominant land-use pattern and forestry and farms surrounding the township, are the main source of employment and income to the residents.
- **Eersterivier Kruis:** a small community consisting of 57 households with 1 school situated near the small holiday resort of Eerste River Strand along the banks of the Eerste River situated approximately 16 km south of Kareedouw.
- **Clarkson:** approximately 18km south-east of Kareedouw. Low-income housing is the predominant land-use pattern.
- **Wittekleibos:** a small community of 200 families living on privately owned land falling under the jurisdiction of the Tsitsikamma Development Trust (TDT), and is situated approximately 23 km south-east of Kareedouw.

In the Langkloof area we have two towns and 4 rural settlements falling under the jurisdiction of the Koukamma Municipality Annual Report 2007/08

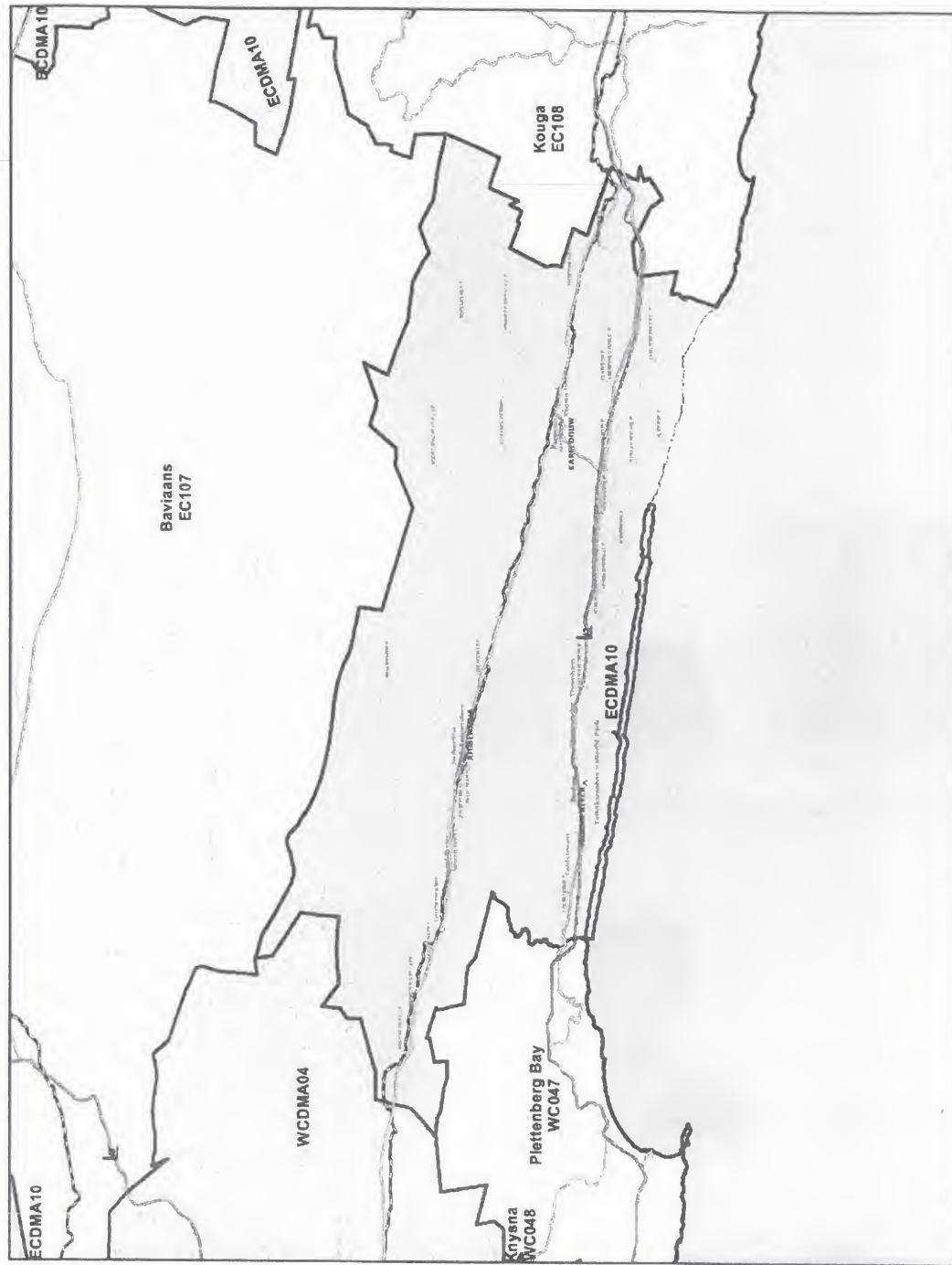
Municipality namely:

- **Kareedouw (the gateway to the Langkloof):** situated against the northern slopes of the Kareedouw Mountains in the Eastern Cape. It is approximately 130 km to the west of Port Elizabeth, along the N2 and the R62 routes. The Krom River runs north of the town, the Assegaaibos Kloof stream runs to the east, and the Ouwerf Kloof stream to its west. Kareedouw consists of the following suburbs:
  - Kareedouw Central
  - Uitkyk
  - Kagiso Heights
  - New Rest
  - Mountain View
- **Joubertina:** is the main town in the Langkloof area and lies between the Kouga Mountain range in the north and the Tsitsikamma Mountain range in the south. Joubertina is a small town and is situated approximately 45km west of Kareedouw on the R62 road. The town is divided into 2 suburbs viz. Joubertina Central and Ravinia.
- **Tweeriviere:** a farming district situated in the Langkloof, approximately 2 km east of Joubertina.
- **Krakeelrivier:** situated approximately 9 km west of Joubertina on the R61 route. The predominant land-use pattern is residential.
- **Louterwater:** a medium, semi-rural farming community in the Langkloof area, approximately 18km west of Joubertina. Medium to low-income housing is the predominant land-use pattern.
- **Misgund:** situated approximately 32 km west of Joubertina in the Langkloof. Low-income housing is the predominant land-use pattern for the approximately 2100 residents.

#### KOUKAMMA GEOGRAPHIC AREA

(see next page)

# Kou-Kamma Local Municipality (EC109)



Municipal Demarcation Board  
Tel: (012) 342 2481  
Fax: (012) 342 2480  
email: [info@demarcation.org.za](mailto:info@demarcation.org.za)  
web: [www.demarcation.org.za](http://www.demarcation.org.za)

## Legend

- Sub Place
  - Airports
  - Schools
  - Police Stations
  - Health Facilities
  - Local Municipalities
  - Traditional Authorities
  - District Management Areas
  - Dams
  - National Roads
  - Main Roads
  - Railways
  - Rivers
- Data supplied by:
- Statistics South Africa
  - Department of Water Affairs & Forestry
  - Department of Provincial & Local Government
  - Department of Health
  - Department of Safety & Security
  - Department of Education
  - Department of Transport



February 2006





## 1.3 Governance And Organisation Structure

### 1.3.1 Council Structure of Koukamma Municipality 30 June 2008



Clr N.J. O'Connell (ANC)  
Mayor/Speaker



Clr N.E. Mntambo (ANC)  
Portfolio Councillor  
Social & Special Programmes



Clr J. Kettledas (ANC)  
Portfolio Councillor  
Infrastructure & Technical



Clr F J Yake (ANC)  
Portfolio Councillor  
LED, Tourism and  
Economic Affairs



Clr M.W. Wogane (ANC)  
Portfolio Councillor  
Finance & Management  
Whip



Clr S. Jacobs (ANC)



Clr D. Ncethezo (ANC)



Clr F. Strydom (DA)  
Whip



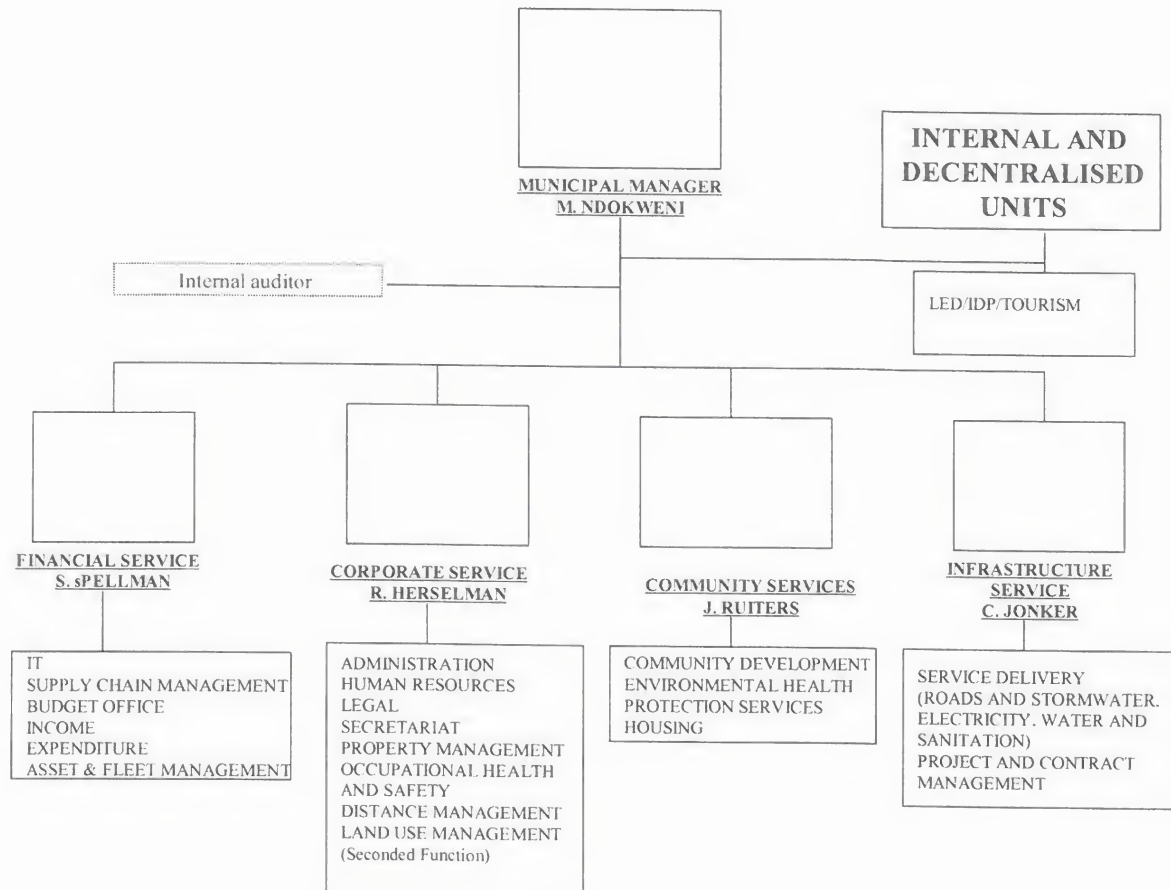
Clr C. Reeders (DA)



Clr D. Jacobs (ID)

## 1.3.2 Koukamma Municipality : Administrative Structure

Koukamma Municipal administration has been organised into 5 main departments. Each of the departments, including the office of the Municipal Manager, contains a set of operational divisions.



## 1.4 Executive Summary

The scattered nature of settlements in the Kou-Kamma region, and the incorporation of two former TLC's into the municipal structure, means that the provision of infrastructure and basic services will remain a challenge for some time. Kou-Kamma Municipality is a relatively poor area with high unemployment and low levels of literacy. Employment tends to be seasonal and based on the agriculture or forestry sectors. The citizens of Kou-Kamma have access to some basic services, including water, sanitation and electricity, and the Municipality is working to extend these services to a wider section of the population.

In order to ensure that this happens, Kou-Kamma Municipality has developed the following values, vision, and mission as guiding principles in all developments and decision making in our area.

### VALUES

**TRANSPARENCY**  
**HONESTY**  
**COMMITMENT**

### VISION

***Kou-Kamma strives to be a vibrant and responsibly managed area, which has an integrated, democratic community supported by a strong and a sustainable economy.***

### MISSION

***To promote a well planned municipality, by which delivery and access to sustainable services creates an environment in which all its citizens can prosper through socio-societal upliftment and accountable corporate governance.***

The performance of the municipality is reported in terms of the functional areas as required by the National Treasury. This annual report is therefore compiled in terms of the guidelines of National Treasury.

Chapter 5 of this annual report deals with the functional areas giving an overview, a description of the activity and a discussion of performance. Progress reports on the strategic objectives and key performance indicators are also included.

### PLANNING AND DEVELOPMENT

Local Economic Development, Tourism and Integrated Developmental Planning (IDP) function as a unit within the office of the Municipal Manager. The unit is managed by the IDP/LED Officer assisted by an administrative assistant/clerk. The municipality has appointed a service provider to develop the LED strategy. The tourism plan is in the process of being developed.

#### ***Local Economic Development***

This is an approach to sustainable economic development that encourages residents of local municipalities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all. This may include: creating a climate conducive to business investment, promoting the municipal area in such a way that national and international investments are attracted and providing support for large and small business development.

#### ***Tourism***

This involves the development of a tourism sector plan as well as supporting the initiatives of private tourism operators. It also involves ensuring that previously disadvantaged individuals participate in tourism.



### ***Integrated Development Plan***

Integrated Development Planning (IDP) is a planning and strategic framework for short, medium and long term, to help municipalities to fulfil their developmental mandate. An IDP is one of the key tools for Local Government to cope with its new developmental role and seeks to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative, systematic and strategic manner.

### ***Funding***

IDP is funded by both the DHLGTA and CDM.

Tourism Sector Plan is funded by DBSA, CDM and DEDEA

LED Strategy is funded by Thina Sinako European Funding of the EC

*The full Executive Summary will follow as an addendum when the related documents (especially the Audit Reports become available)*

# **CHAPTER 2**

## **HIGHLIGHTS**

## **CHAPTER 2**

### **PERFORMANCE HIGHLIGHTS**

## **2.1 Services Provided and Highlights for 2007/2008**

### **2.1.1 Water**

All households in Koukamma Municipal area receive water within 200 m from a yard tap as defined in the Water Act of 1998.

Koomansbos is the only settlement not having yard taps. A Housing Development Plan will address this challenge.

A new reservoir has been constructed for Clarkson to ensure adequate bulk sewerage especially during summer seasons.

### **2.1.2 Sanitation**

Two bucket eradication projects have been identified:

- Krakeel 120
- Woodlands 30

### **2.1.3 Refuse Removal**

Every household and business in Koukamma receives a full refuse removal service including the supply of plastic bags and collection once per week.

## 2.2.3 Electricity

The extent and nature of the provision of electricity is shown in the table below:

	Electricity		Gas		Paraffin		Candles		Solar and other	
	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006	Census 2001	RSS 2006
	%	%	%	%	%	%	%	%	%	%
Eastern Cape	49.7	67.1	0.3	0.4	23.3	14.0	25.9	18.3	0.8	0.2
Cacadu DC	71.9	82.6	0.4	0.5	19.3	11.7	7.7	5.2	0.6	0.1
Camdeboo	84.8	92.7	0.1	2.7	5.8	3.0	8.8	1.6	0.5	0.0
Blue Crane	65.0	95.0	0.3	0.9	22.5	2.1	11.3	2.1	0.8	0.0
Ikhwezi	72.2	77.9	0.3	0.0	22.7	18.1	4.1	4.0	0.8	0.0
Makana	73.4	72.0	0.7	0.0	23.4	17.2	2.0	10.8	0.5	0.0
Ndlambe	66.6	80.1	0.4	0.0	29.1	8.9	3.4	10.3	0.4	0.7
Sunday's River Valley	65.7	78.6	0.2	0.0	28.2	18.7	5.3	2.7	0.7	0.0
Baviaans	69.3	73.1	0.4	0.0	16.8	21.7	12.2	5.3	1.4	0.0
Kouga	76.2	82.0	0.2	0.7	14.9	15.1	8.4	2.2	0.3	0.0
Kou-Kamma	76.2	87.5	0.3	0.0	4.6	11.2	18.5	1.2	0.5	0.0
ECDMA10	44.3	60.0	0.9	1.4	26.7	31.6	25.7	7.0	2.5	0.0

Source: SSA 2001 and RSS 2006

## 2.2.4 Refuse Removal

Refuse is collected once per week. Leniency of two weeks is allowed should the collection of not be possible within a week owing to unforeseen circumstances. In such an event local private contractors are normally engaged to deliver the service.

## 2.2.5 The Following Figures Are Supplied From The Records For The Period Under Review

% of households earning less than R1 500 per month with access to free basic services	18.32% (Water - 18% Electricity - 0.32%)
% of municipality's capital budget actually spent on capital projects identified in the IDP	(10 613 136/13 732 628) = 77%
% of a municipality's budget actually spent on implementing its workplace skills plan	(63 833/125 269) = 50%
Total outstanding debtors divided by annual revenue actually received for services	(41 737 191/4 793 666 ) = 8.7%

## **2.3 Backlogs in Service Delivery**

### **2.3.1 Water**

### **2.3.2 Sanitation**

### **2.3.3 Electricity**

### **2.3.4 Roads**

*[The remaining information on backlogs will be inserted as an addendum when it is made available by the Technical and Infrastructure Department]*

### **2.3.5 Refuse Removal**

The only residential areas where refuse is not collected are:

- Koomansbos
- Thornham

These areas have their own arrangements for refuse removal.

## **2.5 Relating Backlogs to Municipal Spending on Service Delivery Infrastructure**

### **2.5.1 Water**

### **2.5.2 Sanitation**

### **2.5.3 Electricity**

### **2.5.4 Roads**

*[The remaining information on backlogs will be inserted as an addendum when it is made available by the Technical and Infrastructure Department]*

### **2.5.5 Refuse Collection**

Expenditure on existing infrastructure:

R 469,072.00



# **CHAPTER 3**

## **MANAGEMENT AND ORGANISATION**

# CHAPTER 3

## HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

### 3.1 Organisation Structure

The municipality's organisational structure consists of the following four departments under the umbrella of the Municipal Manager's office:

- Corporate Services
- Financial Services
- Technical and Infrastructure Services
- Community Services

The Municipal Manager's Office holds the accountability and responsibility for the effective, efficient and sound financial administration of the Koukamma Municipality. It also provided executive support to the political structure through administrations and also focuses on HIV & AIDS, Disaster Management, Performance Management and Capacity Building.

The total number of staff employed in each of the four departments on the organisational structure is as follows:

Department	Number of Employees
Office of the Municipal Manager	8
Finance	24
Corporate Services	16
Technical and Infrastructure	59
Community Services	47
<b>TOTAL</b>	<b>154</b>

### 3.2 Skills Development Progress Report

The Workplace Skills Plan for the 2007/08 financial year has been adopted and the implementation report for 2006/07 has been submitted to LGWSETA as required by the Skills Development Act.

For the period July 2006 to June 2007, the following progress has been made with regards to skills development as projected by the Workplace Skills Plan:

Courses attended by Koukamma Councillors and Employees	Total
Water Purification (A& L Training Centre)	5
Ward Committee Training (PCRV)	1
Batho Pele ((DPLG, HHLTA, Premier's Office)	2
Skills Development Training	1
<b>TOTAL</b>	<b>9</b>

### 3.3 Employee Related Costs

	2005/2006	2006/2007	2007/2008
	R	R	R
Actual	12 686 138	14 420 955	17 848 412
Salary Budget	11 794 316	18 047 624	19 723 217
Total Budget	30 827 670	34 230 012	61 051 047
	38%	52%	32%

# **CHAPTER 4**

## **FINANCIAL STATEMENTS**

# **CHAPTER 4**

## **AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION**

### **4.1 Financial Statements**

Kou-Kamma Municipality has prepared financial statements in line with Section 122 of the Municipal Finance Management Act (Act No.56.2003). According to the MFMA the financial statements should:

- Fairly represent the state of affairs of the municipality or entity
- - its performance against its budget
  - its management of revenue, expenditure, assets and liabilities
  - its business activities
  - its financial results
  - and its financial position as at the end of the financial year
- Disclose the information required in terms of sections 123, 124 and 25.



**KOUKAMMA MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

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**KOUKAMMA MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**

**GENERAL INFORMATION**

**MEMBERS OF THE COUNCIL**

Councillor N J O'Connel	Mayor
Councillor F J Jake	
Councillor D M Jacobs	
Councillor J Kettledas	
Councillor F Strydom	
Councillor C Reeder	
Councillor S Jacobs	
Councillor N E Mntambo	
Councillor S D Ncethezo	
Councillor M W Wogane	

**GRADING OF LOCAL AUTHORITY**

No grading

**AUDITORS**

Auditor-General

**BANKERS**

ABSA Bank

**REGISTERED OFFICE**

5 Keet Street  
Kareedouw, 3170

P O Box 11  
Kareedouw, 3170

Telephone: (042) 288-0303  
Facsimile: (042) 288-0797

**MUNICIPAL MANAGER**

M Ndokweni (B Juris)

**KOUKAMMA MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

**GENERAL INFORMATION (Continued)**

**CHIEF FINANCIAL OFFICER**

S Spellmann

**APPROVAL OF FINANCIAL STATEMENTS**

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 6 to 34, in terms of Section 126(1) of the Municipal Finance Management Act (Act No 56 of 2003) and which I have signed on behalf of the municipality.

These Annual Financial Statements will be presented to the Council for information on 12 December 2008.



**M NDOKWENI**  
**MUNICIPAL MANAGER**

04 December 2008



**S SPELLMANN**  
**CHIEF FINANCIAL OFFICER**

04 December 2008

**KOUKAMMA MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**

**FOREWORD**

I submit these Annual Financial Statements very much aware that everything is not sound, but I will not allow our situation to dominate my life with fear and despair.

We do not pride ourselves for what is happening in Koukamma, but strongly believe that we shall overcome. Our challenges are characterised by the following serious constraints:

- Capacity and constitutional changes
- Weak departments and capacity problems
- Service Delivery challenges
- Lack of institutional discipline and commitment
- Low financial viability
- Infrastructure and Technical backlogs

We hereby declare our commitment to continuously strive towards advancing governance, financial discipline and efficient administration. Our wish is also to extend sound co-operative relations with all our spheres of government. We also need to unlock the economic potential of our municipality to attract strategic partners. Nobody and nothing will stop us from bringing change in the life of our people. My humble plea to all our leadership, communities and sector stakeholders is to join hands and strive towards building a better Koukamma where there will be place for all of us.

We have a long and steep road to go, but **“WE ARE HAPPY BECAUSE WE ARE GOING TO MAKE IT THIS TIME”**.

**“FORWARD KOUKAMMA, FORWARD!!!!!!”**

Sincere greetings

  
**NJ O'CONNEL**  
**MAYOR**

**KOUKAMMA MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**

**REPORT OF THE AUDITOR-GENERAL**

The 2007/2008 Audit Report was not available when the Annual Financial Statements were approved and will be attached hereto as Annexure "A" when received after the completion of the statutory audit.



**KOUKAMMA MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

**REPORT OF THE CHIEF FINANCIAL OFFICER**

**1. INTRODUCTION**

It is with great pleasure for me to finally present the Annual Financial Statements for the year 2007/2008 to Council and Management. Please note that these statements could not be prepared and submitted to Auditor-General within two months after the end of the financial year in terms of the Section 126 of the MFMA.

The assistance of a service provider was necessary for the compilation of the statements due to a lot of accounting workload carried over from the previous years and having to address the audit report, which was a disclaimer, and the fact that the official who has been in charge of Finance was already on sick leave at the time of preparing these 2007/2008 AFS. Thus it became very difficult to substantiate some of the transactions that occurred during the year.

**2. KEY FINANCIAL INDICATORS**

The following indicators give some insight into the financial results of the year under review.

**Financial Statement Ratios:**

INDICATOR	2008	2007
Surplus / (Deficit) before Appropriations	(828,802)	(4,453,760)
Accumulated Surplus / (Deficit) at the end of the Year	10,854,203	10,605,992
Expenditure Categories as a percentage of Total Expenses:		
Salaries, Wages and Allowances	43.38%	37.59%
General Expenses	26.29%	41.84%
Repairs and Maintenance	5.13%	14.48%
Capital Charges	0.00%	-
Contributions to Fixed Assets	0.40%	0.12%
Contributions to Funds, Provisions and Reserves	24.80%	5.97%
Current Ratio:		
Creditors Days	98	74
Debtors Days	372	426

The slight improvement in Debtors Days is because of additional provision for bad debts made during the year under review due to non-payment actually experienced, which renders a slightly more favourable ratio for the year.

**3. OPERATING RESULTS**

Details of the operating results are included in the Income Statement and Appendices "D" and "E".

The overall operating results for the year ended 30 June 2008 are as follows:

DETAILS	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual/ budgeted %
<b>Income:</b>					
Opening surplus / (deficit)	10,605,992	14,749,732	(28.09)%	-	-
Operating income for the year	40,316,498	33,911,241	18.89%	61,051,047	(33.96)%
Appropriations for the year	1,077,014	310,020	247.40%	-	-
	51,999,503	48,970,992	6.18%	61,051,047	(14.83)%
<b>Expenditure:</b>					
Operating expenditure for the year	41,145,300	38,365,001	7.25%	61,051,047	(32.61)%
Sundry transfers	-	-	-	-	-
Closing surplus / (deficit)	10,854,203	10,605,992	2.34%	-	-
	51,999,503	48,970,992	6.18%	61,051,047	(14.83)%

### 3.1 All Services:

A deficit of R828 802 (2006/2007: Deficit of R4 453 760) was achieved for the financial year under review. This is due to budgeted revenue not realised exceeding savings realised in budgeted expenditure.

Although accruals for all services have been done, more attention will be given to monthly accruals and the reconciliation and collection thereof. Water meters have been read and accounts have been prepared. Accounts have been delivered monthly to the consumers during the year.

DETAILS	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual/ budgeted %
Income	40,316,498	33,911,241	18.89%	61,051,047	(33.96)%
Expenditure	41,145,300	38,365,001	7.25%	61,051,047	(32.61)%
Surplus / (Deficit)	(828,802)	(4,453,760)	(81.39)%	-	-
Surplus / (Deficit) as % of total income	(2.06)%	(13.13)%		-	

### 3.2 Community Services:

Community Services are services rendered by the municipality to the community for which no charges are levied. The main income sources for these services are Assessment Rates and Sundry Fees levied.

DETAILS	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual/ budgeted %
Income	19,234,087	19,346,355	(0.58)%	44,930,567	(57.19)%
Expenditure	30,159,098	24,579,377	22.70%	40,339,629	(25.24)%
Surplus / (Deficit)	(10,925,011)	(5,233,022)	108.77%	4,590,938	-
Surplus / (Deficit) as % of total income	(56.80)%	(27.05)%		10.22%	

### 3.3 Subsidised Services:

Subsidised Services are services partially subsidised by National and Provincial Government. Apart from subsidies, the main income sources are Sundry Fees levied.

DETAILS	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual/ budgeted %
Income	470,866	184,945	154.60%	1,759,064	(73.23)%
Expenditure	1,060,292	465,990	127.54%	2,589,765	(59.06)%
Surplus / (Deficit)	(589,426)	(281,045)	109.73%	(830,701)	-
Surplus / (Deficit) as % of total income	(125.18)%	(151.96)%		(47.22)%	

### 3.4 Economic Services:

Economic Services are services rendered to the consumers at a rate which should cover the cost of the service in order that the service is not a burden to other streams of revenue. The main source of income is the levying of Service Charges.

DETAILS	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual/ budgeted %
Income	11,271,362	7,363,125	53.08%	10,564,891	6.69%
Expenditure	5,069,447	6,833,624	(25.82)%	11,252,979	(54.95)%
Surplus / (Deficit)	6,201,915	529,500	1071.28%	(688,088)	-
Surplus / (Deficit) as % of total income	55.02%	7.19%		(6.51)%	



### 3.5 Housing Services:

Housing Services are services rendered by the municipality to supply housing to the community and includes the rental of units owned by the municipality to public and staff. The main income source is the levying of Housing Rentals.

DETAILS	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual/ budgeted %
Income	46,716	-	-	44,971	3.88%
Expenditure	213,696	424,785	(49.69)%	222,995	(4.17)%
Surplus / (Deficit)	(166,980)	(424,785)	(60.69)%	(178,024)	-
Surplus / (Deficit) as % of total income	(357.44)%	-		(395.86)%	

### 3.6 Trading Services:

Trading Services are services rendered to the consumers at a rate which should render a surplus on the service in order that the service is able to cross-subsidise other services. The main source of income is the levying of Service Charges.

The REDS (Regional Electricity Distribution Suppliers) will be introduced to South Africa in the near future, where electricity will be distributed a regional supplier. This will impact materially on the Annual Financial Statements of the municipality.

DETAILS	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual/ budgeted %
Income	9,293,467	7,016,816	32.45%	3,751,554	147.72%
Expenditure	4,642,767	6,061,225	(23.40)%	6,645,679	(30.14)%
Surplus / (Deficit)	4,650,700	955,591	386.68%	(2,894,125)	-
Surplus / (Deficit) as % of total income	50.04%	13.62%		(77.14)%	

## 4. FINANCING OF CAPITAL EXPENDITURE

The expenditure on Fixed Assets during the year amounted to R10 613 136 (2006/2007: R1 534 858). Full details of Fixed Assets are disclosed in Note 5 and Appendix "C" to the Annual Financial Statements.

The capital expenditure of R10 613 136 was financed as follows:

DETAILS	Actual 2007/2008 R	Actual 2006/2007 R	Percentage Variance %	Budgeted 2007/2008 R	Variance actual/ budgeted %
External Loans	-	-	-	-	-
Revolving Fund	-	-	-	-	-
Grants and Subsidies	9,838,115	1,534,858	540.98%	13,784,000	(28.63)%
Public Contributions	650,000	-	-	-	-
Revenue	125,021	-	-	66,628	87.64%
	10,613,136	1,534,858	591.47%	13,850,628	(23.37)%

Source of funding as a percentage of Total Capital Expenditure:

DETAILS	2007	2006
External Loans	-	-
Revolving Fund	-	-
Grants and Subsidies	92.70%	100.00%
Public Contributions	6.12%	-
Revenue	1.18%	-
	100.00%	100.00%

Fixed Assets are funded only from grants and subsidies because the municipality does not have the financial resources to finance capital from its own funds.

## 5. ACCUMULATED FUNDS

Accumulated Funds amounted R2 665 315 as at 30 June 2008 (30 June 2007: R2 228 845) and is made up as follows:

Dog Tax Fund	55,203
Revolving Fund	2,610,112
	<u>2,665,315</u>

The Dog Tax Fund was established in terms of the Dog Tax Ordinance, Ordinance 19 of 1978, to obtain funding to enable the municipality to control dogs in the municipal area. The fund is not operational anymore and will be written off during the conversion to the GRAP-format of Annual Financial Statements.

The Revolving Fund is a fund established in terms of the Local Authorities Ordinance, Ordinance 23 of 1935, to enable the municipality to finance future capital expenditure. Contributions at 7,5% of assessment rates income are made annually to the fund in terms of the said Ordinance.

The municipality is dependent on external funds (external loans and grants) to finance its annual capital programme.

Refer to the Note 1 and Appendix "A" for more detail.

## 6. RESERVES

The outstanding amount of Reserves as at 30 June 2008 was R82 102 (30 June 2007: R82 102).

Reserves comprise the Renewals Fund which was established to provide funding for the replacement of exhausted furniture and equipment. Contributions are made from operating revenue to fund the reserve.

Refer to Note 2 and Appendix "A" for more detail.

## 7. TRUST FUNDS

The outstanding amount of Trust Funds as at 30 June 2008 was R19 905 498 (30 June 2007: R5 792 374).

These funds represent the unspent balances of grants and subsidies received from National, Provincial and Local Governments to assist the municipality in its operating and capital needs. The unspent balance should be cash-backed, which is not the case as the moneys were utilised for other purposes. Steps are taken to correct the situation.

Refer to Note 3 and Appendix "A" for more detail.

## 8. CONSUMER DEPOSITS

Consumer Deposits amounted to R104 700 at 30 June 2008 (30 June 2007: R104 700).

These deposits are collected upon the connection of consumers to the municipality's services networks and serve as 'collateral' for services consumed and not yet paid for.

Refer to Note 4 for more detail.

## 9. FIXED ASSETS

The net value of Fixed Assets was R3 693 718 as at 30 June 2008 (30 June 2007: R3 693 718).

The municipality is busy with an audit of all assets as part of the process of compiling a comprehensive and updated asset register.

Refer to Note 5 and Appendix "C" for more detail.

#### 10. LONG-TERM DEBTORS

Long-term Debtors of R10 623 at 30 June 2008 (30 June 2007: R10 697) is made up as follows:

Vehicle Loans	26,315
	<u>26,315</u>
Less: Short-term portion included in Current Assets	15,692
	<u>10,623</u>

In terms of the MFMA the municipality may not grant loans to staff and public anymore and these loans will reduce annually until they have been fully repaid.

Refer to Note 6 for more detail.

#### 11. CURRENT ASSETS

Current Assets amounted R42 204 710 as at 30 June 2008 (30 June 2007: R24 890 089) and is made up as follows:

Consumer Debtors	Note 8	25,932,791
Other Debtors	Note 9	3,721,193
Short-term Investments	Note 10	10,827,716
Cash and Bank	Note 11	1,723,010
Short-term portion of Long-term Debtors	Note 6	15,692
		<u>42,220,402</u>

The substantial increase is due to the increment in Consumer Debtors and is alarming. Council's Credit Control Policy will have to applied strictly and adhered to in all circumstances in order to recover monies due to the municipality.

Refer to the indicated Notes for more detail.

#### 12. CURRENT LIABILITIES

Current Liabilities amounted R12 312 926 as at 30 June 2008 (30 June 2007: R9 780 492) and is made up as follows:

Provisions	Note 12	1,259,629
Creditors	Note 13	11,052,775
Bank Overdraft	Note 11	522
		<u>12,312,926</u>

Non-current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). At this stage it is uncertain whether the municipality will not be able to meet its obligations.

Refer to the indicated Notes for more detail.

#### 13. INTER-GOVERNMENTAL GRANTS

The municipality is dependent on financial aid from other government spheres to finance its annual capital programme and certain operational functions. Operating grants are also utilised to finance indigent assistance.

Refer to Note 29, and Appendices "A and D" for more detail.

#### 14. POST BALANCE SHEET EVENTS

No events were identified to disclose.

#### 15. GENERAL RECOGNISED ACCOUNTING PRACTICE (GRAP)

In order to adhere to principles and procedures prescribed by law and the directions of National Treasury, the Annual Financial Statements have to be converted to the so-called GRAP-format during the 2008/2009 financial year.

The unbundling process will be carried out as at 30 June 2007 in order to be able to have comparative figures available for the Annual Financial Statements presented in the new format. Consultants have been appointed to assist in the process.

#### 16. EXPRESION OF APPRECIATION

We are grateful to the Mayor, Councillors, the Municipal Manager and Senior Officials for the support extended during the financial year. A special word of thanks to all staff in the Finance Department, for without their assistance these Annual Financial Statements would not have been possible.

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**CHIEF FINANCIAL OFFICER**

04 December 2008



## **1. BASIS OF PRESENTATION**

- 1.1 These Annual Financial Statements have been compiled to comply with the standards laid down by the Institute of Municipal Finance Officers in its Code of Practice (1994) and the Report on the Standardisation of Financial Statements of Local Authorities (6<sup>th</sup> Edition – June 1996).
- 1.2 The accounting policies are consistent with those of the previous year in all material respects, except where otherwise stated.
- 1.3 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as explained in Accounting Policy 3.
- 1.4 The financial statements are prepared on the accrual basis:
- Income is accrued when collectable and measurable. Certain income is accounted for when received, such as traffic fines and certain licences.
  - Expenditure is accrued in the year it is incurred.

## **2. CONSOLIDATION**

The balance sheet includes Rates and General Services, Housing Services, Trading Services as well as the various funds, reserves and provisions. All inter-departmental transactions have been offset against each other. Departmental assessment rates, electricity, refuse removal, sewerage and water have been shown as income and expenditure under the respective departments.

## **3. FIXED ASSETS**

- 3.1 Fixed Assets are stated:
- at historical cost; or
  - at valuation (based on market price at the date of acquisition) where assets have been obtained by means of grants or donations;
- while they are in existence and fit for use. Certain replaceable assets acquired from loans, such as furniture and equipment, water reticulation, sewer reticulation, roads and drainage, vehicles and plant are stated at depreciated value and are written off at the end of the loan repayment period.

No revaluation of assets was made during the financial year.



**3. FIXED ASSETS (Continued)**

**3.2 Depreciation:**

The balance shown against the heading "Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet, is the equivalent to a provision for depreciation. In terms hereof assets financed from "Loans" are written off over their estimated useful life. In addition to the various municipal funds, assets can also be acquired as follows:

- Appropriations from income, where the total cost of an asset becomes an immediate and direct charge against the operating income, and it is therefore not necessary to make any further provision for depreciation.
- Grants, subsidies or donations, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed property are credited to the Revolving Fund. The net proceeds on the sale of all other assets are credited to the Operating Account.

**3.4 Financing:**

Capital Assets are financed from different sources, including external loans, internal advances, grants, subsidies, donations, provisions, reserves and operating income.

Loans and advances are repaid over the estimated useful life of the asset financed from such loan or advance in accordance with the guidelines issued by the Provincial Government. Internal advances are redeemed on annuity basis, which commences in the year following the financial year in which the advances were made.

3.5 Internal Advances are acquired at market related interest rates.

3.6 Major improvements to buildings, plant and equipment are capitalised. Maintenance and repairs are expensed when incurred.

**4. INVENTORY**

Inventories are reflected at cost. No stock is currently on hand in view that expenditure is directly allocated to each and every department when incurred.

## **5. INVESTMENTS**

Investments are reflected at cost and comprise securities as prescribed in terms of the Local Authorities Ordinance, Ordinance No 23 of 1935.

## **6. FUNDS AND RESERVES**

### **6.1 Revolving Fund:**

The Local Authorities Ordinance, No 23 of 1935, requires a minimum contribution of 7,5% of the defined income of the municipality to this fund. Expenditure is pooled in this fund so as to facilitate the control and management thereof. The fund is used to repay loans, finance capital expenditure and defray expenses incurred with the raising of loans. The surplus funds are partly invested.

### **6.2 Dog Tax Fund:**

The Dog Tax Fund was established in terms of the Dog Tax Ordinance, Ordinance 19 of 1978, to obtain funding to enable the municipality to control dogs in the municipal area. The fund is not operational anymore and will be written off during the conversion to the GRAP-format of Annual Financial Statements.

### **6.3 Trust Funds:**

The amounts reflected as Trust Funds are the unspent portion of grants received from various Departments. The purpose of these grants is either for capital or operating nature.

### **6.4 Reserves:**

The amounts reflected as Reserves are provisions made from council's funds for future expenditure of which the amount and occurrence is unknown, and is funded by contributions from operating expenditure.

### **6.5 Provisions:**

The amounts reflected as Provisions are provisions made from council's funds for expenditure relating to the current year of which the amount is unknown and the service still has to be rendered. Provisions are funded by contributions from operating expenditure.

## **7. RETIREMENT BENEFITS**

The municipality contributes to the Cape Joint Pension Fund (18% of basic salary) and the SALA Pension Fund (18.07% of basic salary), which provide retirement and unfitness benefits to its employees.

Full actuarial valuations for the funds are performed every three years.

Contributions by the Municipality are charged against operating income on the basis of the current service cost.

## **8. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD SERVICES**

The costs of internal support services are transferred to the different services in accordance with the Institute of Municipal Finance Officers report on Accounting for Support Services (June 1990). Council has adopted a Charge-out Policy based on a percentage of actual cost.

## **9. SURPLUSES AND DEFICITS**

Any surplus or deficits arising from the operation of the Electricity and Water services are transferred to the Accumulated Surplus Account for Rates and General Services.

## **10. LEASED ASSETS**

- 10.1 Fixed assets held under finance leases are capitalised. Such leases are effectively amortised over the term of the lease agreement.
- 10.2 Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.
- 10.3 All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the asset concerned.

## **11. INTEREST ALLOCATION**

Interest is allocated to the Accumulated Funds and operating account according to the average balance of the fund and bank account during the year. All interest received are accrued in the revenue account and distributed after the closing down and balancing of the accounts. This practice differs from the previous year where only the balance at the start of the year was taken into consideration and interest on deposit accounts were credited to the particular fund.

## **12. REVENUE RECOGNITION**

### **12.1 Assessment Rates:**

The municipality applies a flat rating system whereby the same rate factor is applied to land and buildings. In terms of this system, Assessment Rates are levied on the value of land and improvements in respect of all properties.

Rebates are granted according to the use of the property concerned.

### **12.2 Electricity and Water Billings:**

Meters on all properties are read monthly and billed accordingly on a monthly basis, except in the case where a pre-paid meter is installed. Due dates for payment are approximately six weeks after the meters were read.



**KOUKAMMA MUNICIPALITY**  
**BALANCE SHEET AT 30 JUNE 2008**

	Note	2008 R	2007 R
<b>CAPITAL EMPLOYED</b>			
FUNDS AND RESERVES		2 747 417	2 310 947
Accumulated Funds	1	2 665 315	2 228 845
Reserves	2	82 102	82 102
ACCUMULATED SURPLUS / (DEFICIT)	19	10 854 203	10 605 992
		13 601 619	12 916 938
TRUST FUNDS	3	19 905 498	5 792 374
CONSUMER DEPOSITS	4	104 700	104 700
	R	<u>33 611 817</u>	<u>18 814 012</u>
<b>EMPLOYMENT OF CAPITAL</b>			
FIXED ASSETS	5	3 693 718	3 693 718
LONG-TERM DEBTORS	6	10 623	10 697
		3 704 341	3 704 416
NET CURRENT ASSETS / (LIABILITIES)		29 907 476	15 109 597
CURRENT ASSETS		42 220 402	24 890 089
Consumer Debtors	8	25 932 791	23 563 659
Other Debtors	9	3 721 193	477 002
Short-term Investments	10	10 827 716	157 032
Cash and Bank	11	1 723 010	661 087
Short-term portion of Long-term Debtors	6	15 692	31 309
CURRENT LIABILITIES		12 312 926	9 780 492
Provisions	12	1 259 629	1 259 629
Creditors	13	11 052 775	7 757 336
Bank Overdraft	11	522	763 527
	R	<u>33 611 817</u>	<u>18 814 012</u>
<div style="display: flex; justify-content: space-between; align-items: flex-end; padding-top: 20px;"> <div> M Ndokweni  <b>MUNICIPAL MANAGER</b> </div> <div style="text-align: center;"> 04/12/2008 </div> <div> S Spellmann  <b>CHIEF FINANCIAL OFFICER</b> </div> </div>			



KOUKAMMA MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED

30 JUNE 2008

2006/2007 Actual	2006/2007 Actual	2006/2007 Net Surplus/ (Deficit) R		2007/2008 Actual	2007/2008 Actual	2007/2008 Net Surplus/ (Deficit) R	2007/2008 Budgeted Surplus/ (Deficit) R
Income R	Expenditure R			Income R	Expenditure R		
RATES AND GENERAL SERVICES							
26 894 425	31 878 991	(4 984 566)		30 976 315	36 288 837	(5 312 522)	3 072 149
19 346 355	24 579 377	(5 233 022)	Community Services	19 234 087	30 159 098	(10 925 011)	4 590 938
184 945	465 990	( 281 045)	Subsidised Services	470 866	1 060 292	( 589 426)	( 830 701)
7 363 125	6 833 624	529 500	Economic Services	11 271 362	5 069 447	6 201 915	( 688 088)
0	424 785	( 424 785)	HOUSING SERVICES	46 716	213 696	( 166 980)	( 178 024)
7 016 816	6 061 225	955 591	TRADING SERVICES	9 293 467	4 642 767	4 650 700	(2 894 125)
<u>33 911 241</u>	<u>38 365 001</u>	<u>(4 453 760)</u>	TOTAL	<u>40 316 498</u>	<u>41 145 300</u>	<u>( 828 802)</u>	<u>0</u>
Appropriations for the Year							
310 020 (Refer to Note 19 for more detail)						1 077 014	
(4 143 741) Net Surplus / (Deficit) for the Year						248 211	
Accumulated Surplus / (Deficit) beginning of the Year							
14 749 732						10 605 992	
ACCUMULATED SURPLUS/ (DEFICIT) END OF THE YEAR							
10 605 992						10 854 203	

**KOUKAMMA MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED**

**30 JUNE 2008**

	Note	2008 R	2007 R
<b>CASH RETAINED FROM OPERATING SERVICES:</b>		23 108 749	1 321 741
Cash generated by Operations	20	(13 896 380)	(18 606 629)
Investment Income	18	575 221	73 994
Decrease / (Increase) in Working Capital	21	(8 802 192)	(2 368 820)
		(22 123 351)	(20 901 455)
Less: External Interest paid	18	0	0
Nett: Cash available from Operations		(22 123 351)	(20 901 455)
Contributions from Government or Public		45 232 100	22 223 196
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>			
Investment in Fixed Assets	5	(10 613 136)	(1 534 858)
<b>NET CASH FLOW</b>		<u>12 495 613</u>	<u>( 213 117)</u>
<b>CASH EFFECTS OF FINANCING ACTIVITIES:</b>			
Decrease / (Increase) in Cash Investments	22	(10 670 684)	( 7 559)
Decrease / (Increase) in Cash	23	(1 824 928)	220 676
<b>NET CASH UTILISED / (GENERATED)</b>		<u>(12 495 613)</u>	<u>213 117</u>

KOUKAMMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
<b>1. ACCUMULATED FUNDS</b>		
Dog Tax Fund	55,203	55,203
Revolving Fund	2,610,112	2,173,642
<b>Total Accumulated Funds</b>	<u>2,665,315</u>	<u>2,228,845</u>

(Refer to Appendix A for more detail)

**Dog Tax Fund:**

The Dog Tax Fund was established to obtain funding to enable the municipality to control dogs in the municipal area. The fund is not operational anymore and will be written off during the conversion to the GRAP-format of Annual Financial Statements.

**Revolving Fund:**

The purpose of this fund is to provide internal finance for projects and/or the purchase of equipment.

**2. RESERVES**

Renewals Fund	82,102	82,102
<b>Total Reserves</b>	<u>82,102</u>	<u>82,102</u>

(Refer to Appendix A for more detail)

The purpose of the Renewals Reserve is to provide finance to replace equipment.

KOUKAMMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

	2008 R	2007 R
<b>3. TRUST FUNDS</b>		
District Municipality: -		
- Flood Relief / Damage - Housing	(953,798)	-
- LED Grant	394,225	-
DWAF: -		
- General	1,100,100	-
- WSA	(55,445)	-
Housing: -		
- Griekwa	(46,884)	(17,390)
- Joubertina	755,015	747,148
- Kareedouw	21,150	21,150
- Misgund	(1,405,679)	(1,124,660)
- Mountainview	(1,361,009)	(1,366,519)
- Town Planning	100,000	-
IDP	157,807	150,000
Library	40,518	76,549
MIG: -		
- General	4,865,789	5,031,942
- Bucket Eradication Krakeel	1,140,935	833,602
- Bucket Eradication Woodlands	1,635,555	1,113,000
- Clarkson Reservoir	(2,048,848)	-
- Disaster Relief: Roads	1,671,035	-
- Financial Statements	543,866	150,000
- I C T	50,000	50,000
- Sewerage Stormsriver	(1,113,624)	-
MSP	281,327	125,737
MSIG - GAMAP/GRAP Implementation	117,618	-
Provincial Grant: -		
- General	14,085,487	-
- Performance Management System	23,884	-
- Property Valuations Fund	(95,340)	-
Training	1,815	1,815
<b>Total Trust Funds</b>	<b>19,905,498</b>	<b>5,792,374</b>

(Refer to Appendix A for more detail)

**District Municipality:**

These funds have been received for the repairs on damages caused by floods and for LED projects. No funds have been withheld.

**DWAF:**

These funds have been received for the indigent surveys, fixed asset register and drafting of water bylaws. No funds have been withheld.

**Housing:**

These funds have been received for the building of houses. No funds have been withheld.

**IDP:**

These funds have been received for the preparation of a development plan. No funds have been withheld.

**Library:**

These funds have been received for the purchase of library equipment. No funds have been withheld.

**MIG:**

These funds have been received for the development of infrastructure. No funds have been withheld.

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

**MSP:**

These funds have been received to obtain professional services to assist the municipality. No funds have been withheld.

**MSIG:**

These funds have been received for the operational support which includes website development, drafting of organogram & FMS. No funds have been withheld.

**Provincial:**

These funds have been received as bridging finance for the sewerage project, property valuation, acquiring of service delivery vehicles and paying of creditors.

**Training:**

These funds have been received for the training of staff to develop and increase skills. No funds have been withheld.

	2008 R	2007 R
<b>4. CONSUMER DEPOSITS</b>		
Consumer Services	104,700	104,700
<b>5. FIXED ASSETS</b>		
Fixed Assets at the beginning of the Year	45,151,734	43,616,875
Capital Expenditure during the Year	10,613,136	1,534,858
	55,764,870	45,151,734
Less: Assets written off, transferred or disposed of during the Year.	-	-
<b>Total Fixed Assets</b>	55,764,870	45,151,734
Less: Loans Redeemed and other Capital Receipts	52,071,151	41,458,015
<b>Net Fixed Assets</b>	3,693,718	3,693,718

(Refer to Appendix C for more detail)

Fixed Assets are disclosed at historical cost and no depreciation has been calculated.

The municipality did not engage into any guarantees whereby Fixed Assets of the municipality have been pledged to serve as collateral.



## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

	2008 R	2007 R
<b>6. LONG-TERM DEBTORS</b>		
Other Loans	26,315	42,006
	<u>26,315</u>	<u>42,006</u>
Less: Short-term portion transferred to Current Assets	15,692	31,309
<b>Total Long-term Debtors</b>	<u><u>10,623</u></u>	<u><u>10,697</u></u>

Other Loans are in respect of Motor Loans granted to Managers. In terms of the MFMA no Loans are granted to officials anymore. The outstanding amount is in respect of loans granted before 01 July 2005 and will continue until all loans have been repaid.

**7. STOCK**

The municipality does not carry any stock items.

**8. CONSUMER DEBTORS**

Services:	38,193,438	29,369,770
Assessment Rates	11,346,795	9,197,817
Electricity	1,050,098	1,071,886
Refuse Removal	5,109,934	4,108,572
Sewerage	10,516,231	7,971,089
Water	10,134,326	6,984,324
Sundry Service Charges	36,054	36,081
Sundries	2,196,994	2,239,290
Loans	901,357	302,328
Housing Rentals	445,402	956,672
	<u>41,737,191</u>	<u>32,868,060</u>
Less: Provision for Bad Debts	(15,804,401)	(9,304,401)
<b>Total Consumer Debtors</b>	<u><u>25,932,791</u></u>	<u><u>23,563,659</u></u>
The ageing of debtors is as follows:		
Current	1,139,910	-
30 days	1,633,294	-
60 days	2,134,275	-
90 Days	713,597	-
+ 90 Days	36,116,115	32,868,060
<b>Total Consumer Debtors</b>	<u><u>41,737,191</u></u>	<u><u>32,868,060</u></u>

No bad debts were written off during the year.

Additional provision for bad debts to the amount of R6 500 000 (2007: R0) has been made during the year.

**9. OTHER DEBTORS**

Staff Advances	109,570	109,570
Sundry Debtors	882,881	355,870
Suspense Accounts in Debit	2,728,742	11,562
<b>Total Other Debtors</b>	<u><u>3,721,193</u></u>	<u><u>477,002</u></u>

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

	2008 R	2007 R
<b>10. SHORT-TERM INVESTMENTS</b>		
Deposits	10,827,716	157,032
<b>Total Short-term Investments</b>	<u>10,827,716</u>	<u>157,032</u>

The Local Authorities Ordinance No 23 of 1935 requires local authorities to invest funds, which are not immediately required, with prescribed institutions. The period of investment should be such that it will not be necessary to borrow funds against the investments at a plenary rate to meet commitments.

No Investments were written off during the year and they are carried at cost.

**11. CASH AND BANK / (BANK OVERDRAFT)**

Bank Account	1,722,700	660,777
Bank Overdraft	(522)	(763,527)
Cash on Hand	310	310
<b>Total Cash and Bank / (Bank Overdraft)</b>	<u>1,722,488</u>	<u>(102,440)</u>

The municipality has the following bank accounts:

**Primary Bank Account**

*ABSA Bank - Kareedouw Branch - Account Number 40 5280 5864:*

Cash book balance at beginning of year	(102,750)	117,926
Cash book balance at end of year	<u>1,722,178</u>	<u>(102,750)</u>
Bank statement balance at beginning of year	(739,487)	(162,016)
Bank statement balance at end of year	<u>242,434</u>	<u>(739,487)</u>

**12. PROVISIONS**

Audit Fees	300,000	300,000
Staff Leave	959,629	959,629
<b>Total Provisions</b>	<u>1,259,629</u>	<u>1,259,629</u>

(Refer to Appendix A for more detail)

**Audit Fees:**

This provision is funded from contributions from operating income and was established to provide for the cost of the current year audit, which only will be carried out in the forthcoming financial year.

**Staff Leave:**

This provision is funded from contributions from operating income and was established to provide for the cost of leave to which the municipal staff is entitled at year-end.

**13. CREDITORS**

Trade Creditors	3,654,591	3,575,706
Sundry Creditors	902,781	629,907
Suspense Accounts in Credit	6,495,403	3,551,723
<b>Total Creditors</b>	<u>11,052,775</u>	<u>7,757,336</u>

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

Official	Salary & Bonus	Allowances	Contributions	TOTAL
Municipal Manager: M Ndokweni	338,234	185,846	-	524,080
Manager Community Services: J Ruiters	320,000	-	-	320,000
Manager Corporate Services: R Herselman	315,000	137,024	-	452,024
Manager Financial Services: S Spellman	122,226	71,410	-	193,636
Manager Technical Services: C. Jonker	218,676	91,401	-	310,077
Manager Strategic Services: FF Gaushe	96,250	34,750	-	131,000
	1,410,386	520,431	-	1,930,817

The salaries, allowances and benefits paid to political office-bearers and councillors are within the upper limits of the framework envisaged in section 219 of the Constitution.

Valuations as at	Land R'000	Buildings R'000	Land Rate	Buildings Rate	Actual Income R
				2006	3,504,905
				2007	4,374,604
1 July 2007:	10 260 650	89 534 312		2008	4,840,305
- Joubertina	1 802 036	34 153 402	0.193648 c/R	0.0411040 c/R	
- Kareedouw	6 069 864	49 602 800	0.089540 c/R	0.0144100 c/R	
- Stormriver	2 388 750	5 778 110	0.165760 c/R	0.0028224 c/R	

No rebates are granted to property owners.

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

	2008 R	2007 R
<b>17. NET SURPLUS / (DEFICIT) FOR THE YEAR</b>		
The following has been taken into account in determining the net surplus / (deficit) for the year:-		
<u>Investment Income:</u>	*	
Interest Received	575,221	73,994
Rental Received	74,193	40,001
<b>Total Investment Income</b>	<b>649,414</b>	<b>113,995</b>
<u>Other Expenses:</u>		
Auditors' Remuneration	* 1,101,303	1,212,843
Contribution to Bad Debts Provision	* 6,500,000	-
Contribution to Funds, Provisions and Reserves	* 436,470	141,283
Depreciation	* -	-
Interest Paid	* -	-
Levies Paid: Bargaining Council	4,890	4,476
Levies Paid: District Municipality	-	2,656
Lease Charges	187,611	182,651
Profit / (Loss) on the disposal of property, plant and equipment	*	-
* These items were allocated to respective funds, as the municipality did not convert to GAMAP yet.		
<b>18. FINANCE TRANSACTIONS</b>		
Total External Interest paid or earned:		
Earned	575,221	73,994
Paid	-	-
<b>19. APPROPRIATIONS</b>		
<b>Appropriation Account</b>		
Accumulated Surplus at the beginning of the Year	10,605,992	14,749,732
Operating Surplus/(Deficit) for the Year	(828,802)	(4,453,760)
Appropriations for the Year:	1,077,014	310,020
Current Year Adjustments	1,077,014	310,020
Accumulated Surplus (Deficit) at the end of the Year	10,854,203	10,605,992
<b>Operating Account</b>		
Capital Expenditure	125,021	-
Contributions to:		
Statutory Funds	436,470	141,283
Reserve Funds	-	-
Provisions	6,500,000	150,000
	<b>6,936,470</b>	<b>291,283</b>

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

	2008 R	2007 R
<b>20. CASH GENERATED BY OPERATIONS</b>		
Surplus / (Deficit) for the Year	(828,802)	(4,453,760)
Adjustments in respect of:		
Previous Years' Operating Transactions	1,077,014	310,020
Appropriations charged against Income:	(4,532,930)	(13,201,995)
Grants and Subsidies Received	(11,594,421)	(13,493,277)
Contributions to Provision for Bad Debts	6,500,000	-
Contributions to Funds, Reserves and Provisions	436,470	291,282
Fixed Assets	125,021	-
Investment Income	(575,221)	(73,994)
Non-operating Income	-	62,371
Non-operating Expenditure:		
Expenditure charged against Provisions and Reserves	(9,036,440)	(1,249,270)
	<u>(13,896,380)</u>	<u>(18,606,629)</u>
<b>21. DECREASE / (INCREASE) IN WORKING CAPITAL</b>		
Decrease / (Increase) in Long-term Debtors	15,692	33,948
Decrease / (Increase) in Service Debtors	(8,869,132)	(5,937,460)
Decrease / (Increase) in Other Debtors	(3,244,191)	807,194
Increase / (Decrease) in Consumer Deposits	-	-
Increase / (Decrease) in Creditors	3,295,439	2,727,498
	<u>(8,802,192)</u>	<u>(2,368,820)</u>
<b>22. DECREASE / (INCREASE) IN EXTERNAL CASH INVESTMENTS</b>		
Investment Balances at the Beginning of the Year	157,032	149,472
Less: Investment Balances at the End of the Year	(10,827,716)	(157,032)
	<u>(10,670,684)</u>	<u>(7,559)</u>
<b>23. DECREASE / (INCREASE) IN CASH ON HAND</b>		
Cash Balance at the Beginning of the Year	(102,440)	118,236
Less: Cash Balance at the End of the Year	1,722,488	(102,440)
	<u>(1,824,928)</u>	<u>220,676</u>



## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

2008  
R2007  
R**24. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED****24.1 Unauthorised Expenditure**

To management's best of knowledge no Unauthorised Expenditure was incurred during the year under review.

**24.2 Fruitless and Wasteful Expenditure**

To management's best of knowledge instances of note indicating that Fruitless and Wasteful Expenditure was incurred during the year under review were not revealed.

**24.3 Irregular Expenditure**

To management's best of knowledge instances of note indicating that Irregular Expenditure was incurred during the year under review were not revealed.

Reconciliation of Irregular Expenditure:

Opening balance	-	-
Irregular Expenditure current year	-	-
Condoned or written off by Council	-	-
To be recovered – contingent asset (see Note 53)	-	-
Transfer to receivables for recovery (see Note 20)	-	-
Irregular Expenditure awaiting condonement	-	-
	-	-

Incident	Disciplinary Steps / Criminal Proceedings
<i>Performance Bonuses paid before approval of Annual Report and the affordability of such expense</i>	None

**25. COUNCILLOR'S ARREAR CONSUMER ACCOUNTS**

Amounts due in excess of 90 days:

Jacobs, Susie	6 274	-
Wogane, MW	10 779	-
O'Connel	1 408	
Ncethezp SD	4 876	
	23 337	

**26. CAPITAL COMMITMENTS**

Due to cashflow constraints no Capital Commitments were entered into at year-end.

KOUKAMMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (Continued)

	2008 R	2007 R
<b>27. OTHER COMPULSARY DISCLOSURES</b>		
27.1 Municipal entities under control of this council	None	None
27.2 Amount of contributions to organised local government	R -	-
27.3 Contingent Liabilities:		
(a) A claim, estimated to be R500 000, was lodged against the municipality for the contractual payment of a year's remuneration upon termination of service by a former Chief Financial Officer. The municipality paid a full and final settlement during August 2008 in the amount of R150 000. The outcome of the claim is still uncertain.		
(b) Claims in the region of R118 200 have been submitted to the municipality for the cleaning and rehabilitation of the Stormsriver dumping site. The outcome is not known at this stage.		
(c) A claim of approximately R12 000 for a telephone cable that was damaged by one of the municipality's heavy duty equipment, has been lodged. The outcome is not certain at this stage.		
(d) There is a possibility of a claim for the non-awarding of tenders for the removal of refuse in Joubertina. The amount of the claim and the outcome is not certain at this stage.		
(e) Costs, of which the amount is not known, might have to be incurred by the municipality to defend a court case with regard to review the rezoning of a golf estate. The outcome is not certain at this stage.		
(f) Costs, of which the amount is not known, might have to be incurred by the municipality to defend a court case with regard to the transfer of property in Coldstream. The outcome is not certain at this stage.		
(g) Costs, estimated to be approximately R18 000, will have to be incurred by the municipality to deregister a Section 21 Company, KEDC. The outcome is not certain at this stage.		
27.4 Contingent Assets: To management's best of knowledge there were no Contingent Assets as at year-end which should be disclosed.		
27.5 (a) Material losses through criminal conduct (estimated)	R 250,000	-
(b) Criminal or disciplinary steps taken	None	None
(c) 1. Material losses recovered	None	None
(c) 2. Material losses written off	None	None
Losses were incurred when it was broken into the municipal offices during the strike for the period April to June 2008.		
<b>28. RETIREMENT BENEFITS</b>		
No information on the Cape Joint Pension Fund was available at year-end.		
No information on the Cape Joint Retirement Fund was available at year-end.		
No information on the Municipal Councillors Pension Fund was available at year-end.		

KOUKAMMA MUNICIPALITY

APPENDIX A

ACCUMULATED FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS

	Balance at 2007/06/30	Contributions during the Year	Interest on Investments	Other Income	Expenditure during the Year	Balance at 2008/06/30
	R	R	R	R	R	R
<b>ACCUMULATED FUNDS</b>						
Dog Tax Fund	55 203	0	0	0	0	55 203
Revolving Fund	2 173 642	436 470	0	0	0	2 610 112
	2 228 845	436 470	0	0	0	2 665 315
<b>RESERVE FUNDS</b>						
Renewals Fund	82 102	0	0	0	0	82 102
	82 102	0	0	0	0	82 102
<b>PROVISIONS</b>						
Audit Fees	300 000	0	0	0	0	300 000
Staff Leave	959 629	0	0	0	0	959 629
<b>Total as per Note 12</b>	1 259 629	0	0	0	0	1 259 629
Bad Debts	9 304 401	6 500 000	0	0	0	15 804 401
	10 564 030	6 500 000	0	0	0	17 064 030
<b>TRUST FUNDS</b>						
District Mun - Flood Relief / Damage: H	0	798 844	0	0	1 752 642	( 953 798)
District Mun - LED	0	394 225	0	0	0	394 225
DWAF - General	0	1 100 100	0	0	0	1 100 100
DWAF - WSA	0	0	0	0	0	0
Housing - Griekwa	( 17 390)	0	0	0	55 445	( 55 445)
Housing - Joubertina	747 148	0	0	0	29 494	( 46 884)
Housing - Kareedouw	21 150	0	0	8 100	233	755 015
Housing - Misgund	(1 124 660)	0	0	0	0	21 150
Housing - Mountainview	(1 366 519)	0	0	219 155	500 174	(1 405 679)
Housing - Town Planning	0	100 000	0	18 450	12 940	(1 361 009)
IDP	150 000	0	0	0	0	100 000
Library	76 549	34 242	0	50 000	42 193	157 807
MIG - General	5 031 942	4 162 624	0	4 000	74 273	40 518
MIG - Bucket Eradication Krakeel	833 602	2 000 000	0	0	4 328 777	4 865 789
MIG - Bucket Eradication Woodlands	1 113 000	1 848 320	0	0	1 692 667	1 140 935
MIG - Clarkson Reservoir	0	0	0	220 000	1 545 765	1 635 555
MIG - Disaster: Roads	0	2 540 761	0	0	2 048 848	(2 048 848)
MIG - Financial Statements	150 000	500 000	0	0	869 726	1 671 035
MIG - I C T	50 000	0	0	0	106 134	543 866
MIG - Sewerage Stormsriver	0	0	0	0	0	50 000
MSP	125 737	220 000	0	0	1 113 624	(1 113 624)
MSIG - GRAP Implementation	0	150 000	0	0	64 410	281 327
Province - General	0	18 500 000	0	0	32 382	117 618
Province - Performance Management S	0	0	0	0	4 414 513	14 085 487
Province - Property Valuations	0	0	0	118 858	94 974	23 884
Training	1 815	0	0	0	95 340	( 95 340)
	5 792 374	32 349 116	0	638 563	18 874 555	19 905 498

**KOUKAMMA MUNICIPALITY**

**APPENDIX B**

**EXTERNAL LOANS AND INTERNAL ADVANCES**

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No External Loans and Internal Advances

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**KOUKAMMA MUNICIPALITY**

**APPENDIX C**

**ANALYSIS OF FIXED ASSETS**

Expenditure	Services	Budget	Balance at	Expenditure	Written Off, Transferred or Redeemed	Balance at
2006/2007 R		2007/2008 R	6/30/2007 R	2007/2008 R	2007/2008 R	6/30/2008 R
1 484 594	<b>RATE AND GENERAL SERVICES</b>	13 845 628	27 334 600	5 667 337	0	33 001 937
20 000	<b>COMMUNITY SERVICES</b>	10 345 628	13 593 533	2 089 847	0	15 683 380
0	Health	0	0	0	0	0
20 000	Properties and Sundries	11 628	3 090 620	2 089 847	0	5 180 467
0	Public Works / Services	10 284 000	9 328 581	0	0	9 328 581
0	Traffic	50 000	1 174 333	0	0	1 174 333
33 980	<b>SUBSIDISED SERVICES</b>	0	6 443 897	0	0	6 443 897
0	Buildings	0	3 022 951	0	0	3 022 951
0	Cemeteries	0	120 872	0	0	120 872
0	Fire Services	0	5 872	0	0	5 872
0	Halls	0	912 205	0	0	912 205
33 980	Libraries	0	83 721	0	0	83 721
0	Parks and Open Spaces	0	1 835 469	0	0	1 835 469
0	Sport and Recreation	0	462 807	0	0	462 807
1 430 614	<b>ECONOMIC SERVICES</b>	3 500 000	7 297 169	3 577 490	0	10 874 659
0	Refuse	0	21 298	0	0	21 298
1 430 614	Sewerage	3 500 000	7 275 871	3 577 490	0	10 853 361
0	<b>HOUSING SERVICES</b>	5 000	6 472 070	501 169	0	6 973 239
0	Sub-economic Schemes	5 000	6 472 070	501 169	0	6 973 239
50 264	<b>TRADING SERVICES</b>	0	11 252 164	4 444 630	0	15 696 794
0	Electricity	0	3 769 707	3 268 520	0	7 038 228
50 264	Water	0	7 482 457	1 176 109	0	8 658 566
1 534 858	<b>TOTAL FIXED ASSETS</b>	13 850 628	45 058 833	10 613 136	0	55 671 970
	<b>LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS</b>					
	Loans Redeemed and Advances Repaid		41 458 015	10 613 136	0	52 071 151
	Contributions ex Operating Income		6 347 172	0	0	6 347 172
	Grants and Subsidies		4 248 528	125 021	0	4 373 549
	Public Donations		30 059 306	9 838 115	0	39 897 422
	Contributions ex Revolving Fund		0	650 000	0	650 000
			803 009	0	0	803 009
	<b>NET FIXED ASSETS</b>		3 600 818	0	0	3 600 818



# Local Government Budget Monitoring

Financial Period      Municipal      Version 1.1  
 Year                      Code  
 2009 M05 Nov      EC109 Koukamma



## Instructions:

- 1 At the top of the Info worksheet, select the financial year, period and your allocated municipal code from the lists provided.
- 2 The Summary Report will show the result of your data entered. The Summary Report worksheet is protected and will automatically populate.
- 3 By moving your mouse over the grey buttons on the Info worksheet, you will be directed to the correct worksheet to enter your data.  
 Note that a small hand appears when you move over the button. Click when you can see the hand.
- 4 To return to the main worksheet, click on Info tab at the bottom of your screen.
- 5 This template must be completed EVERY MONTH with actual figures up to the indicated month and with forecasts for the remaining months to the end of the year.
- 6 Complete only the yellow highlighted cells. The other cells are protected and contain formulae.
- 7 Once you have finished completing the form, save it as **Muncode\_SUM\_ccyy\_Mnn.xls**  
 Muncode = your municipal demarcation code e.g. GT414  
 ccyy = the current financial year e.g. 2006. Only indicate the end year please.  
 Mnn = the number of the month you are reporting e.g. M01 would indicate you are reporting on July.  
 Shortcut: To Save File press the following keys at the same time with Caps Lock off: ctrl+shift+S
- 8 Submit the form to your Provincial Treasury office by e-mail or fax
- 9 If you have access to e-mail, mail a copy to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za)

#### Capital and Operating Expenditure

EC109 Koukamma	Original Budget	Adjusted Budget	Actuals YTD	%
Capital Expenditure	7 648		5 426	70.9
Operating Expenditure	44 781		13 914	31.1

#### Capital Expenditure and Revenue

EC109 Koukamma	Original Budget	Adjusted Budget	Actuals YTD	%
<b>CAPITAL EXPENDITURE</b>				
Water	453		7	1.5
Electricity	330		503	152.4
Housing			3 104	
Roads, Pavements, Bridges & Storm Water	78			
Other	6 786			
<b>Total Capital Expenditure</b>	<b>7 648</b>		<b>5 426</b>	<b>70.9</b>
<b>SOURCE OF FINANCE</b>				
External Loans				
Internal Contributions	1 382			
Grants and Subsidies	6 266			
Other				
<b>Total Financing</b>	<b>7 648</b>		<b>5 426</b>	<b>70.9</b>

#### Cash Flow Statement

EC109 Koukamma	Original Budget	Adjusted Budget	Actuals YTD	%
<b>Opening Cash Balance</b>				
<b>Add : Receipts</b>				
- External loans received	52 429		31 582	60.2
- Grants and subsidies				
- Investments redeemed	21 699		12 285	56.6
- Statutory Receipts (incl VAT)	18 717		12 213	
- Other Receipts	12 013		602	3.2
<b>Less : Payments</b>				
- Salaries, wages and allowances	52 429		26 273	50.1
- Cash and creditor payments	24 704		7 113	28.8
- Capital payments	20 077		9 376	46.7
- Investments made	7 648		573	7.5
- External loans repaid			2 500	
- Statutory Payments (incl VAT)				
- Other Payments			6 712	
<b>Closing Balance</b>			<b>5 306</b>	

#### Operating Revenue and Expenditure

EC109 Koukamma	Original Budget	Adjusted Budget	Actuals YTD	%
<b>OPERATING REVENUE</b>				
Property rates			778	10.3
Service Charges	7 536		962	8.6
Regional Service Levies	11 181			
Other Revenue	33 712		5 602	16.6
<b>Total Operating Revenue Generated</b>	<b>52 429</b>		<b>7 342</b>	<b>14.0</b>
<b>OPERATING EXPENDITURE</b>				
Employee Related Costs	24 704		7 996	32.4
Provision for Working Capital				
Repairs and Maintenance	2 896		480	16.6
Bulk Purchases	2 384		753	31.6
Other Expenses	14 798		4 685	31.7
<b>Total Direct Operating Expenditure</b>	<b>44 781</b>		<b>13 914</b>	<b>31.1</b>

#### Operating Revenue and Expenditure by Function

EC109 Koukamma	Water				Electricity			
	Original Budget	Adjusted Budget	Actuals YTD	%	Original Budget	Adjusted Budget	Actuals YTD	%
<b>OPERATING REVENUE</b>								
Service Charges								
Grants & Subsidies Received								
Other Revenue								
<b>Total Operating Revenue Generated</b>								
<b>OPERATING EXPENDITURE</b>								
Employee Related Costs								
Provision for Working Capital								
Repairs and Maintenance								
Bulk Purchases								
Other Expenses								
<b>Total Direct Operating Expenditure</b>								

#### Debtor Age Analysis

EC109 Koukamma	0 - 30 days		31-60 days		61-90 days		Over 90 days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Water	944	7.0	1 228	9.2	372	2.8	10 862	81.0	13 407	100.0
Electricity	73	6.4	8	0.7	6	0.6	1 045	92.3	1 132	100.0
Property Rates	1 559	11.8	271	2.1	292	2.2	11 043	83.0	13 166	100.0
RSC Levies										
Other	2 410	10.9	373	1.7	406	1.8	18 840	85.5	22 038	100.0
<b>Total</b>	<b>4 987</b>	<b>10.0</b>	<b>1 881</b>	<b>3.8</b>	<b>1 077</b>	<b>2.2</b>	<b>41 799</b>	<b>84.0</b>	<b>49 743</b>	<b>100.0</b>

#### Creditor Age Analysis

EC109 Koukamma	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Bulk Electricity										
Bulk Water										
PAYE deductions										
VAT (output less input)										
Pensions / Retirement										
Loan repayments										
Trade Creditors										
Auditor General										
Other										
<b>Total</b>										

#### Grants

EC109 Koukamma	Original Budget	Adjusted Budget	Actuals YTD	%
<b>Grants Receipts</b>				
1 National	7 916		4 818	60.9
2 Provincial				
3 Other grants	420		2 058	489.9
<b>Total</b>	<b>8 336</b>		<b>6 876</b>	<b>82.5</b>
<b>Expenditure</b>				
1 National	7 916		320	4.0
2 Provincial			110	
3 Other grants	420		4 314	1 027.0
<b>Total</b>	<b>8 336</b>		<b>4 744</b>	<b>56.9</b>

#### Comments

Capital Expenditure and Revenue as at Nov 2008/09 (Rand)

EC109 Koukamma		Original Budget 2009	Adjusted Budget 2009	Actuals YTD 2009	%	Month 1 July	Month 2 Aug	Month 3 Sep	Total Q1	Month 4 Oct	Month 5 Nov	Month 6 Dec	Total Q2
<b>1 CAPITAL EXPENDITURE</b>													
2	Water	453,325		6,939	1.5					6,939			6,939
3	Electricity	329,950		502,870	152.4	431,350	16,708		448,058				
4	Housing	0		3,103,712	0.0	904,448	694,147	1,505,117	3,103,712	0			0
5	Roads, Pavements, Bridges & Storm Water	78,325		0	0.0					0			
6	Other	6,786,350		#REF!	#REF!	520,521	1,157,760	120,350	1,798,631	54,812	14,008		68,820
<b>7</b>	<b>Total Capital Expenditure</b>	<b>7,647,950</b>	<b>0</b>	<b>5,426,160</b>	<b>70.9</b>	<b>1,856,319</b>	<b>1,868,615</b>	<b>1,625,467</b>	<b>5,350,401</b>	<b>61,751</b>	<b>14,008</b>	<b>0</b>	<b>75,759</b>
<b>8 SOURCE OF FINANCE</b>													
9	External Loans			0	0.0				0				0
10	Internal contributions	1,381,950		0	0.0				0				0
11	Grants and Subsidies	6,266,000		0	0.0				0				0
12	Other			5,426,160	0.0	1,856,319	1,868,615	1,625,467	5,350,401	61,751	14,008		75,759
<b>13</b>	<b>Total Financing</b>	<b>7,647,950</b>	<b>0</b>	<b>5,426,160</b>	<b>70.9</b>	<b>1,856,319</b>	<b>1,868,615</b>	<b>1,625,467</b>	<b>5,350,401</b>	<b>61,751</b>	<b>14,008</b>	<b>0</b>	<b>75,759</b>

Cash Flow Statement as at Nov 2008/09 (Rand)

EC109 Koukamma	Original Budget 2009	Adjusted Budget 2009	Actuals YTD 2009	%	Month 1 Jul	Month 2 Aug	Month 3 Sep	Q1 Jul - Sep	Month 4 Oct	Month 5 Nov	Month 6 Dec	Q2 Oct - Dec
1 Opening Cash Balance	-2,971	0	-2,971									
2 Add : Receipts	52,429,364		31,581,557	60.2	-2,971	3,013,489	2,130,318	15,264,089	8,646,916	5,650,823	5,305,540	1,619,265
4 - External loans received			0	0.0								
5 - Grants and subsidies	21,699,000		12,284,550	56.6	6,658,773	443,178	400,000	7,501,951	3,882,111	900,488		0
7 - Investments redeemed			12,212,691	0.0		2,502,768	3,071,324	5,574,092	3,994,913	2,643,686		4,782,599
11 - Statutory Receipts (incl VAT)	18,716,986		602,488	3.2	305,739		296,749	602,488				6,638,599
12 - Other Receipts	12,013,378		6,481,828	54.0	394,305	792,902	398,351	1,585,558	769,892	4,126,378		0
14 Less : Payments	52,429,364	0	26,273,045	50.1	4,342,357	4,622,019	4,677,477	13,641,853	4,615,357	8,015,835		4,896,270
15 - Salaries, wages and allowances	24,703,959		7,112,654	28.8	1,595,498		1,389,880	4,183,426	1,864,450	1,064,748		2,929,228
16 - Cash and creditor payments	20,077,455		9,375,677	46.7	2,226,338	1,198,047		2,226,338	2,698,252	4,451,087		7,149,339
17 - Capital payments	7,647,950		573,146	7.5	520,521			520,521	52,625			52,625
18 - Investments made			2,500,000	0.0						2,500,000		2,500,000
19 - External loans repaid			0	0.0								0
20 - Statutory Payments (incl VAT)			0	0.0								0
22 - Other Payments			6,711,568	0.0		3,423,972	3,287,596	6,711,568				0
24 Closing Balance	-2,971	0	5,305,540		3,013,489	2,130,318	1,619,265	6,763,071	5,650,823	5,305,540	5,305,540	16,261,904

Grants (R)

EC109 Koukamma	Original Budget	Adjusted Budget	Actuals YTD	%	Month 1 July	Month 2 Aug	Month 3 Sep	Total Q1	Month 4 Oct	Month 5 Nov
<b>Grants Allocation Receipts</b>										
1 National	7,916,000		4,818,000	60.9	1,250,000			165,000	3,168,000	0
2 Provincial			0	0.0				0		0
3 Other grants	420,000		2,057,777	489.9		443,178	400,000	443,178	714,111	900,488
<b>Total</b>	<b>8,336,000</b>	<b>0</b>	<b>6,875,777</b>	<b>82.5</b>	<b>1,250,000</b>	<b>443,178</b>	<b>400,000</b>	<b>2,093,178</b>	<b>3,882,111</b>	<b>900,488</b>
<b>Expenditure against grant allocation</b>										
1 National	7,916,000		659,271	8.3	91,000	229,093		320,093	339,178	
2 Provincial			110,000	0.0			110,000	110,000		
3 Other grants	420,000		4,313,606	1,027.0		1,908,001	1,505,117	3,413,118		900,488
<b>Total</b>	<b>8,336,000</b>	<b>0</b>	<b>5,082,877</b>	<b>61.0</b>	<b>91,000</b>	<b>2,137,094</b>	<b>1,615,117</b>	<b>3,843,211</b>	<b>339,178</b>	<b>900,488</b>



Debtor Age Analysis for Month as at Nov 2008/09 (Rand)

	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>EC109 Koukamma</b>										
Debtors by Income source										
Water	944177.55	7.0	1228332.92	9.2	372449.27	2.8	10862307.61	81.0	13,407,267	100.0
Electricity	72820.81	6.4	7885.87	0.7	6397.13	0.6	1044879.45	92.3	1,131,983	100.0
Property Rates	1559474.56	11.8	271218.77	2.1	291938.31	2.2	11043097.67	83.9	13,165,729	100.0
RSC Levies		0.0		0.0		0.0		0.0	0	0.0
Other	2410097.74	10.9	373,120	1.7	406,372	1.8	18,848,514	85.5	22,038,105	100.0
<b>Total</b>	<b>4,986,571</b>	<b>10.0</b>	<b>1,880,558</b>	<b>3.8</b>	<b>1,077,157</b>	<b>2.2</b>	<b>41,798,799</b>	<b>84.0</b>	<b>49,743,085</b>	<b>100.0</b>
<b>Debtors by Customer Group</b>										
Government	419752.89	42.1	19746.76	2.0	17538.64	1.8	539760.63	54.1	996,799	100.0
Business	240608.42	29.6	157857.56	19.4	49552.14	6.1	366028.37	45.0	814,046	100.0
Households	4216635.01	9.3	1652999.11	3.7	950631.95	2.1	38381764.27	84.9	45,202,030	100.0
Other	109574.36	4.0	49,955	1.8	59,434	2.2	2,511,246	92.0	2,730,209	100.0
<b>Total</b>	<b>4,986,571</b>	<b>10.0</b>	<b>1,880,558</b>	<b>3.8</b>	<b>1,077,157</b>	<b>2.2</b>	<b>41,798,799</b>	<b>84.0</b>	<b>49,743,085</b>	<b>100.0</b>



**dplg**

Department of Provincial and Local Government

Monthly Expenditure Report Municipality KOUKAMMA MUNICIPALITY

Municipality & Code EC109

Month: NOVEMBER 2008

**Part 1:**

**Financial Information**

A	B	C	D	E	F
	Received / Transferred to Date	Expenditure this month	Total expenditure for previous months	Overall expenditure to date	Available Balance
2008/09 Allocation R400 000	R400 000	R161 022	R0.00	R 161 022	R 238 978

## **4.2 Report of The Auditor-General**

The Auditor-General's Report is not available owing to the late submission of the Annual Financial Statements. The report is being prepared and will be submitted as an addendum to the Draft Annual Report as soon as it becomes available.

## **4.3 Response to Report of The Auditor-General**

The response to the Auditor-General's report will also be submitted as an addendum to the Draft Annual Report as soon as the report becomes available.

## **4.4 Report of the Audit Committee**

The Audit Committee Report will follow as an addendum to the Draft Annual Report

## **4.5 Oversight Report**

The Oversight Report is due to be prepared within two months of the tabling of this draft report and will be included in the final version of the Annual Report.

NARRATE PROGRESS ON ABOVEMENTIONED PROJECTS:

Project	Amount	Expenditure to date	Progress/Comments
Fin. S/Ments	220,000	220,000	
Creditors	8,100,000	7,497,656	
Property Valuations	3,900,000	978,312	
Delivery Vehicles	3,000,000	2,066,319	
Sewerage Outfall	3,500,000	832,753	
Eradication of bucket toilet system	1,848,320	1,067,493	
Performance Agreements/R enumeration Policies	118,858	118,858	
TOTAL 06/07	20,687,178	12,781,391	

CHIEF FINANCIAL OFFICER

DATE:

18/12/2008

MUNICIPAL MANAGER

DATE:

ANNEXURE "B"

TEMPLATE FOR MONITORING OF TRANSFERRED FUNDS FOR 2007/08

NAME OF MUNICIPALITY: KOUKAMMA

PROGRESS AND EXPENDITURE REPORT : MONTH : 11/08

Transferring Directorate	Amount	Purpose(Project)	Date of transfer to municipality	Payment No.	Date received by municipality (attach copy of receipt)	Details of ringfenced account (attach copy of bank statement)	Date of signature of SLA (attach signed copy of SLA)	Expenditure to date	Balance	Progress on project %	Used for the intended purposes Yes / No	Comments
Municipal Development Finance	220,000	Financial Statements	3.10.2007	35860				220,000		100%	Y	
	8,100,000	Creditors	5.3.2008	39995	7.3.2008			7,899,255		98%	Y	
	3,900,000	Property Valuations	5.3.2008	39995	7.3.2008			978,312		25%	Y	
	3,000,000	Service Delivery Vehicles	5.3.2008	39995	7.3.2008			2,066,319		69%	Y	
	3,500,000	Sewerage Outfall - Louterwater	5.3.2008	39995	7.3.2008			1,246,631		36%		
Municipal Infrastructure	1,848,320	Eradication of bucket toilet system	15.8.2007	34395				1,067,493		58%	Y	
HR & Mun.Admin.	118,858	Performance Agreements/Re numeration Policies	27.9.2007	35606				118,858	0	100%	Y	
TOTAL 06/07	20,687,178							13,596,868	7,090,310	66%		



**Finance Management Grant**  
**Monthly Report as per the Division of Revenue Act**

fax to 012 315 5230 and confirm receipt by calling 012 315 5172  
If an email is received by lgdatabase@treasury.gov.za, the municipality should receive a confirmation email.  
The onus is on the municipality to confirm that the return has been received by NT

Municipality	EC109 Koukamma	Financial Year	2008/09
		Month End	M05 Nov

**Financial Accounting for Grant Funds Received and Expended**

	Rand
Received Prior Periods (Since Inception) - See Last Months Form	500,000
Received This Month	1,250,000
Total FMG Funds Received	1,750,000
Spent Prior Periods (Since Inception) - See Last Months Form	855,672
Spent This Month	321,012
Total FMG Funds Spent	1,176,684
Total FMG funds Received and Not Spent	573,316
Percentage of Funds Spent	67.24%
Funds Currently Committed but Not Spent	573,316

**Milestones for Assessing Performance Against Reform Objectives**

	Number	Target Date (ccyy/mm/dd)	Actual Date (ccyy/mm/dd)		
Municipal Manager Appointed					
CFO Appointed					
Interns Appointed	2		12/1/2006		
Interns To Be Appointed					
Capacity Sufficient to Implement Reforms					
		2007/08 Target Date (ccyy/mm/dd)	Actual Date (ccyy/mm/dd)	2008/09 Target Date (ccyy/mm/dd)	Actual Date (ccyy/mm/dd)
Three-year Budget Tabled to Council According to Framework					
Standard Budget Return Completed for Three Years					
Standard Budget Return Submitted Electronically					
Reform Budget Return Completed and Submitted Electronically					
AM: Capital Asset Management					
BS: Statement of Financial Position					
CA: Capital Acquisitions Budget					
CFB: Cash Flow Budget					
GSG: Grant and Subsidies Given					
GSR: Grant and Subsidies Received					
OSB: Statement of Financial Performance Budget					
OSR: Statement of Financial Performance Revised Budget					
SP: Strategic Plan (IDP) Reconciliation to Budget					
AC: Age Creditors Analysis					
AD: Age Debtors Analysis					
CAA: Capital Acquisitions Actual					
CFA: Cash Flow Actual					
OSA: Statement of Financial Performance Actual					
		Target Date (ccyy/mm/dd)	Actual Date (ccyy/mm/dd)		
GAMAP Fully Implemented					
Budget and IDP Process Fully Linked (incl F1)					

**Updated Documents Attached:**

Use this section to indicate if additional documentation is attached	Yes/No
Financial Improvement Check List (FICL)	No
Implementation Plan	No
Quarterly FMG Budget	No
MFMTAP Progress Report	No
Problems / Solutions / Further Assistance Requested	
Other	

(Print Name Below)

I, **SIPHIWE SPELLMAN**,  
and that this report has been submitted electronically as required.

, The Accounting Officer or Delegate certify that the above information is correct

Signed

To Save File press the following keys at the same time with Caps Lock off Ctrl Shift S

Save file as: Muncde\_FMG\_ccyy\_Mnn.XLS (e.g. GT411\_FMG\_2005\_M01.xls)

Muncde = Municipality Code, ccyy = Financial Year End, Mnn = M01, M12

Dated

10/12/2008

Part 4: Signature



CFO Signature

SIPHIWE SPELMAN

Name & Surname

10/12/2008

Date (dd / mm / yyyy)

Part 2:	Reasons for variance
---------	----------------------

	Reasons for variance
1	Projects are in progress
2	
3	

Part 3:	Progress Information
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List of Projects	Amount Budgeted	Progress Details	Remedial Measures if no Progress
PROPERTY RATES POLICY	R125 000	Project Started	Draft Policy in place
WARD ADMINISTRATION SYSTEM	R 75 000	Project Started	Ward Committee meetings schedule
FIXED ASSET REGISTER	R200 000	Project Started	Asset Register in progress